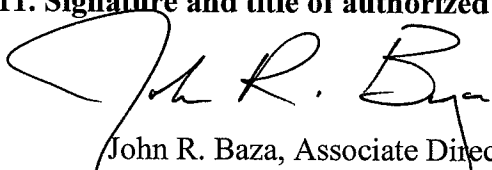


STATE ACTIONS
Resource Development Coordinating Committee
Governor's Office of Planning and Budget
5110 State Office Building
SLC, UT 84114
Phone No. 537-9230

1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: Upon Approval or December 13, 2004
3. Title of proposed action: Application for Permit to Drill	
4. Description of Project: CrownQuest Operating, LLC proposes to drill the Jefferson 4-1 well (wildcat) on State lease ML-47962, San Juan County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 1815' FNL 830' FWL, SW/4 NW/4, Section 4, Township 33 South, Range 24 East, San Juan County, Utah	
6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A	
9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Southeastern Utah Association of Governments	
10. For further information, contact: Diana Whitney Phone: (801) 538-5312	11. Signature and title of authorized officer  John R. Baza, Associate Director Date: November 29, 2004

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ML 47962		6. SURFACE: Fee	
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A			
1B. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				8. UNIT or CA AGREEMENT NAME:			
2. NAME OF OPERATOR: CrownQuest Operating, LLC				9. WELL NAME and NUMBER: Jefferson 4-1			
3. ADDRESS OF OPERATOR: 303 Wall, Ste. 1400 CITY Midland STATE TX ZIP 79702				PHONE NUMBER: (432) 685-3116			
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1815 FNL and 830 FWL <i>649637X 37.940459</i> AT PROPOSED PRODUCING ZONE: 1815 FNL and 830 FWL <i>4200371Y - 109.297132</i>				10. FIELD AND POOL, OR WILDCAT: Wildcat			
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 4 33S 24E P				12. COUNTY: San Juan		13. STATE: UTAH	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 6 Miles northeast of Monticello				15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 830'		16. NUMBER OF ACRES IN LEASE: 2080.34 Ac.	
17. NUMBER OF ACRES ASSIGNED TO THIS WELL: N/A				18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) N/A		19. PROPOSED DEPTH: 5,900	
20. BOND DESCRIPTION: RLB 0007554 (120,000 Blanket)				21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6883 GL		22. APPROXIMATE DATE WORK WILL START: 12/18/2004	
23. ESTIMATED DURATION: 45 days							

24. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
17 1/2"	13 3/8"	H-40	48	250	Class "G", 300sks	1.16 cf/sk	15.8 ppg 348 CF
12 1/4"	9 5/8"	J55	36	2,200	65/35 Poz, 450sks	1.75 cf/sk	12.8 ppg 788 CF
					Class "G" 100sks	1.16 cf/sk	15.8 ppg 116 CF
7 7/8"	5 1/2"	J55	15.5	4,600	65/35 Poz, 250sks	1.75 cf/sk	12.8 ppg 438 CF
7 7/8"	5 1/2"	N80	17	6,060	Class "G" 365sks	1.16 cf/sk	15.8 ppg 423 CF

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER <input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER WATER RIGHTS #09-2151	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

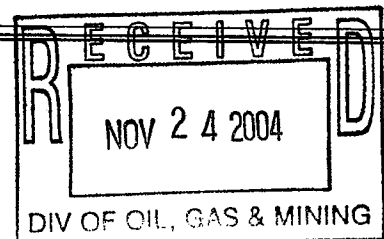
NAME (PLEASE PRINT) Robert R. Griffee, Agent for: (CrownQuest) TITLE Operations Manager

SIGNATURE *Robert R. Griffee* DATE _____

(This space for State use only)

API NUMBER ASSIGNED: 43-037-31832

APPROVAL:



UTAH WELL LOCATION PLAT

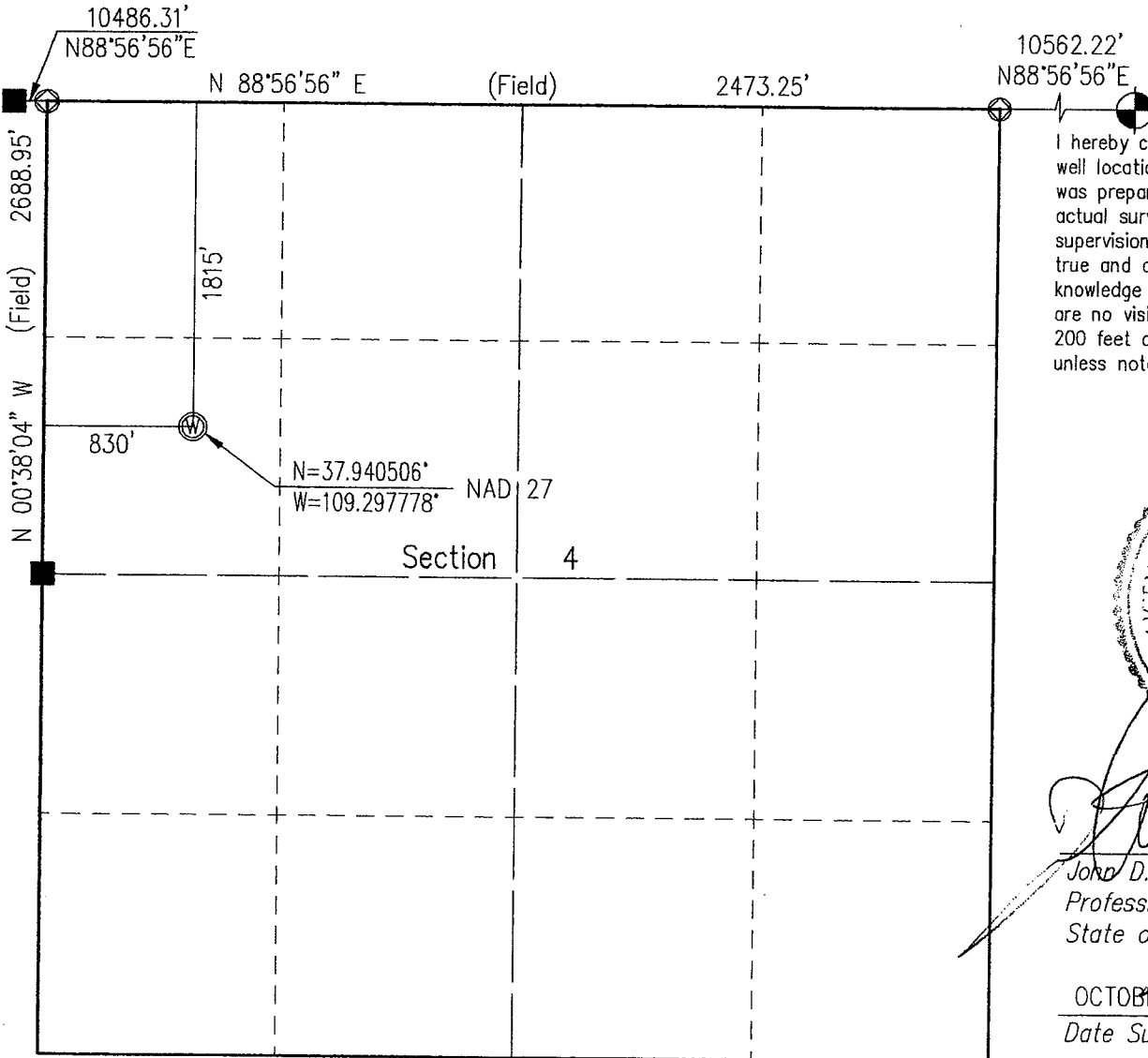
OPERATOR Crown Quest Operating
 LEASE Jefferson State WELL NO. 4-1
 SECTION 4 TOWNSHIP 33 South RANGE 24 East 6th, P.M.
 COUNTY San Juan UTAH
 FOOTAGE LOCATION OF WELL: 1815 FEET FROM THE North LINE and
830 FEET FROM THE West LINE and
 GROUND LEVEL ELEVATION: 6883.42'
 SURFACE USE WITHIN 200' RADIUS: No Improvements Within 200'
 BASIS OF BEARING: GPS Data - NAD 27
 BASIS OF ELEVATION: Data - Based on 7.5 Minute Quad



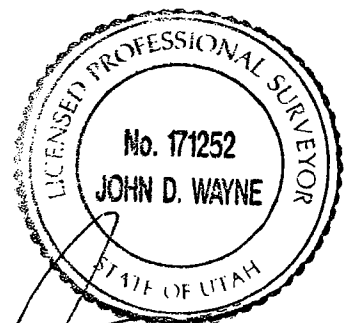
500' 500'
 1" = 1000'

Some information on this plat is based on information taken from previous surveys, record information, or collateral evidence and may not reflect that which may be disclosed by a complete boundary survey. This plat is not to be relied on for the establishment of surface boundaries, fences, buildings, or other future improvements.

- GLO BC
- WELL Location
- STONE Marked
- CALCULATED Corner



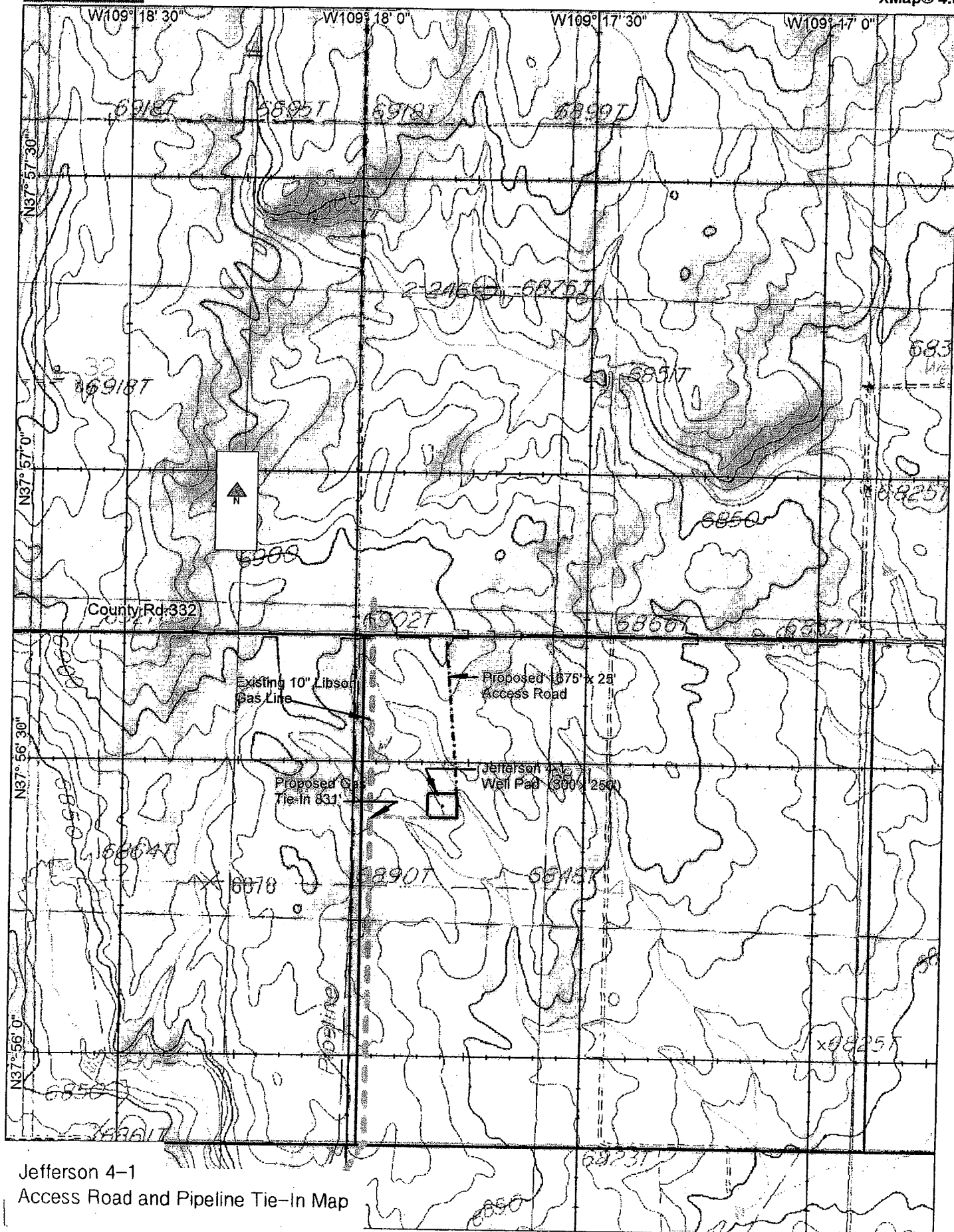
I hereby certify that the proposed well location shown on this plat was prepared from field notes of an actual survey by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief, and that there are no visible improvements within 200 feet of this proposed wellhead, unless noted otherwise.



John D. Wayne
 Professional L.S. #171252
 State of Utah

OCTOBER 12, 2004
 Date Surveyed:

SCALE: 1" = 1000'



Jefferson 4-1
Access Road and Pipeline Tie-In Map